

State OKs office building deal

By Steve Vied, Messenger-Inquirer

Published: Wednesday, May 26, 2010 12:55 AM CDT

The downtown state office building will officially belong to the city of Owensboro in a matter of days.

Tuesday, Owensboro Mayor Ron Payne announced that the city has received a signed agreement from the state for its acquisition of the state office building and Ben Hawes State Park. Officials of the Finance and Administration and Tourism, Arts and Heritage cabinets joined city officials in signing the agreement.

With Tuesday's arrival at City Hall of the agreement, the way was cleared for the city to take ownership of the building at Second and Frederica streets. The city is purchasing the building in order to use the property for either a downtown hotel or a convention and events center. The hotel/convention center complex is the central feature in the downtown redevelopment project.

An official closing on the properties will probably be June 1, Payne said. The city will receive the deeds to the state building and Hawes park at that time. The city will pay the state \$1.106 million for the state building. The closing must be completed no later than June 1.

"Thank you to Gov. (Steve) Beshear and his staff for their assistance and cooperation in working to help us revitalize our downtown," Payne said. "We've overcome a major hurdle with this agreement. The state office building property is a large part of our economic redevelopment plan that will allow us to move forward with major projects in the next year."

In another piece of downtown development news, Payne announced that federal officials have approved converting the U.S. 60 bypass to U.S. 60, allowing the city to convert Second and Fourth streets to two-way city streets. Currently, Second and Fourth streets are west and east one-way sections of U.S. 60.

Converting Second and Fourth to two-way city streets are components of larger downtown traffic changes the city is undertaking as part of the downtown redevelopment project. The state is already in agreement with the changes and wants to move quickly on them, Payne said.

Finally Tuesday, Payne said a groundbreaking ceremony is planned for 4 p.m. Friday for Riverfront Crossing, formerly known as Market Square Plaza, the block directly north of the Daviess County Courthouse between Second Street and Veterans Boulevard.

Demolition crews took down the former American Bounty restaurant building last week and were felling a building facing Frederica Street south of El Toribio restaurant Tuesday. A building facing Second Street in the middle of the block will come down next, allowing for the widening of the north-south route from Second to Veterans Boulevard.

Tuesday's announcement about the state office building follows the news this month that the state had agreed to reduce the price of the building by \$633,000 to \$1.106 million. At that time, Payne said he would move immediately to authorize the city's purchase of the building at that price, authority given him by the city commission.

Tuesday's announcement also means that the city will permanently take over the operation of Ben Hawes State Park, which it has been operating on a temporary basis since April 1 when state workers were removed. That agreement was to have run out June 30.

The city originally agreed to purchase the state office building for \$1.74 million. But that deal fell through after the building was found to sit on contaminated soil. The city began renegotiating the price of the building after the extent of the contamination was found to be more serious than originally thought.

According to the agreement, the state will do its best to move its 219 employees out of the building by Sept. 30 and into leased space. The state office building will then be demolished.

"I am pleased that we now have a signed agreement for the sale of the State Office Building from the Commonwealth to the city of Owensboro," Beshear said in a news release. "The agreement also includes the permanent transfer of Ben Hawes Park, as well as its golf courses. I have worked with leaders in Owensboro for months, and I am confident that their purchase will make a considerable impact on their plans for downtown improvements and economic development.

"The revitalization of Owensboro's downtown riverfront district is an exciting opportunity for the community and the region. It is expected to generate significant economic activity through tourism, retail, commercial and residential development and will create new jobs. I am proud that the Commonwealth has partnered with the city in moving toward those goals," Beshear said.

"I'm very excited," said Payne. "This is another major hurdle to get over for our downtown expansion project. ... The next step is to define the footprint for the convention center and hotel."

More will be known about the future of the convention and events center after today. At 9 a.m., the convention center steering committee is scheduled to meet at the Daviess County Courthouse to hear from urban planning consultant CityVisions and ConsultEcon Inc. of Boston, a firm that specializes in analyzing markets for public assembly and convention facilities.

ConsultEcon Inc. will present a preliminary feasibility study on what kind of events and activities the convention center should be built to host, a market assessment, an event schedule, the center's optimal size and amenities, and the amount of revenue that will be produced over the course of a year, said Downtown Development Director Fred Reeves.

According to the city's latest project list, construction of Riverfront Crossing could start as early as September, with EDSA, a Fort Lauderdale, Fla.,



Anthony Barnes of Rockport, Ind., positions a boom lift Tuesday afternoon as demolition continues on the former law offices behind El Toribio restaurant in the 100 block of Frederica Street. "It's a pretty tough job," said supervisor Tim Gaddis, with Civil Worx. "We're trying to take some of it down by hand." Photo by John Dunham, Messenger-Inquirer



planning, landscape architectural and urban design firm, at work on the final plans and specifications.

Earlier this year, the state Transportation Cabinet approved the changes proposed by Lexington traffic consultant ENTRAN to Owensboro's downtown traffic patterns, which include making Second and Fourth streets two-way, prohibiting large trucks from Second and rerouting U.S. 60 around Owensboro on what is now the U.S. 60 bypass. The plan has now been approved by the American Association of State Highway and Transportation Officials.